

AMENDED IN SENATE MAY 28, 2003

SENATE BILL

No. 894

Introduced by Senator Aanestad

February 21, 2003

~~An act relating to water.~~ *An act to amend Section 739.3 of the Public Utilities Code, relating to telecommunications.*

LEGISLATIVE COUNSEL'S DIGEST

SB 894, as amended, Aanestad. ~~Water—district—merger~~
Telecommunications: rates.

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including telephone corporations, and authorizes the commission to fix just and reasonable rates and charges. Existing law, until January 1, 2005, requires the commission to develop, implement, and maintain a program to establish a fair and equitable local rate structure designed to reduce any disparity in rates charged by small independent telephone corporations serving rural and small metropolitan areas, and a competitively neutral, and broadbased program to provide for transfer payments to telephone corporations serving areas where the cost of providing services exceeds rates charged by providers, as determined by the commission.

This bill would require the commission, until January 1, 2005, to establish a competitively neutral, and broadbased program, consistent with a policy of rate comparability to ensure that rates are not more than 150% higher in one area of the state than another. This policy would be implemented to establish a fair and equitable local rate structure aided by transfer payments to telephone corporations serving areas where the cost of providing services exceeds rates charged by providers, as determined by the commission.

~~Existing law, the Irrigation District Law, governs the operations of the Oroville Wyandotte Irrigation District. Existing law, the Yuba County Water District Act, governs the operations of the Yuba County Water Agency Act.~~

~~This bill would declare that it is the intent of the Legislature to authorize the merger of these 2 water districts.~~

Vote: majority. Appropriation: no. Fiscal committee: ~~no~~ yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 ~~SECTION 1. It is the intent of the Legislature in subsequent~~
2 ~~amendments to authorize the merger of the Oroville Wyandotte~~
3 ~~Irrigation District and the Yuba County Water Agency.~~

4 ~~SECTION 1. The Legislature declares all of the following:~~

5 ~~(a) It is the intent of the Legislature that California's universal~~
6 ~~service policies for telecommunications services are consistent~~
7 ~~with federal policy guidelines established pursuant to the~~
8 ~~Telecommunications Act of 1996 (Public Law 104-104).~~

9 ~~(b) It is the further intent of the Legislature that consideration~~
10 ~~be given to the ability of a provider of basic telecommunications~~
11 ~~services to absorb cost disparities. This shall be accomplished~~
12 ~~through statewide averaging of rates and furtherance of a policy~~
13 ~~of rate comparability and competitive neutrality to ensure that no~~
14 ~~consumer pays significantly higher rates for basic~~
15 ~~telecommunications service in one part of the state versus another.~~

16 ~~SEC. 2. Section 739.3 of the Public Utilities Code is amended~~
17 ~~to read:~~

18 ~~739.3. (a) The commission shall develop, implement, and~~
19 ~~maintain a suitable program to establish a fair and equitable local~~
20 ~~rate structure aided by transfer payments to small independent~~
21 ~~telephone corporations serving rural and small metropolitan areas.~~
22 ~~The purpose of the program shall be to promote the goals of~~
23 ~~universal telephone service and to reduce any disparity in the rates~~
24 ~~charged by those companies.~~

25 ~~(b) For purposes of this section, small independent telephone~~
26 ~~corporations means those independent telephone corporations~~
27 ~~serving rural areas, as determined by the commission.~~

28 ~~(c) The commission shall develop, implement, and maintain a~~
29 ~~suitable, competitively neutral, and broadbased program,~~

1 *consistent with a policy of rate comparability to ensure that rates*
2 *in one part of the state are not more than 150 percent higher than*
3 *elsewhere in the state. This policy shall be implemented in order*
4 *to establish a fair and equitable local rate support structure aided*
5 *by transfer payments to telephone corporations serving areas*
6 *where the cost of providing services exceeds rates charged by*
7 *providers, as determined by the commission. The commission*
8 *shall develop and implement the program on or before October 1,*
9 *1996. The purpose of the program shall be to promote the goals of*
10 *universal telephone service and to reduce any disparity in the rates*
11 *charged by those companies. The commission shall structure the*
12 *program required by this subdivision so that the amount of each*
13 *transfer payment reasonably equals the value of the benefits of*
14 *universal service to the transferor entity and its subscribers. Except*
15 *as otherwise explicitly provided, this subdivision does not limit the*
16 *manner in which the commission collects and disburses funds, and*
17 *does not limit the manner in which it may include or exclude the*
18 *revenue of transferring entities in structuring the program.*

19 (d) The commission shall investigate subsidy reduction, or
20 elimination of subsidies in service areas with demonstrated
21 competition.

22 (e) Not later than February 1, 2001, the Legislative Analyst
23 shall conduct a review of the state's universal telephone service
24 program, including subsequent modifications as appropriate, and
25 report to the Governor and the Legislature as part of the Legislative
26 Analyst's analysis of the Budget Bill to be issued in February 2001.
27 In evaluating the program, the Legislative Analyst shall consider
28 all of the following:

29 (1) The findings of the report required by subdivision (e).

30 (2) An assessment of whether any identified problems are
31 issues that affect the continued implementation of this chapter or
32 issues that warrant revisions of statutes or regulations.

33 (f) This section shall remain in effect until January 1, 2005, and
34 as of that date is repealed, unless a later enacted statute, which
35 becomes effective on or before January 1, 2005, deletes or extends
36 that date.

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